



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: **SB 221** SLS 09RS 399
Bill Text Version: **ENGROSSED**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.: **REVISED**

Date: June 16, 2009 8:40 AM	Author: BROOME
Dept./Agy.: La. Housing Finance Agency	Analyst: Evelyn McWilliams
Subject: State Housing Tax Credit Program	

TAX/TAXATIONEG DECREASE GF RV See NotePage 1 of 1

Establishes the State Housing Tax Credit Program to authorize the LHFA to determine which projects receiving reservations or allocations of federal low income housing tax credits shall receive refundable state income tax credits and to charge and This bill creates the State Housing Tax Credit Program. Projects receiving reservations and/or allocations of federal low income housing tax credits, including Gulf Opportunity Zone Act of 2005 and calendar year 2007-2008 per capital credit ceiling projects are eligible for the state tax credit. The Louisiana Housing Finance Agency (LHFA) is to establish procedures for allocation of the state housing tax credits for single family or commercial projects. The bill authorizes the LHFA to charge fees to provide for administrative expenses of the program. The LHFA is to prepare an annual plan containing guidelines for allocation of state tax credits.

The bill does not specify the amount of state tax credit that can be granted to a recipient nor a total amount of credits the program can award.
Effective upon governor's signature.

EXPENDITURES	2009-10	2010-11	2011-12	2012-13	2013-14	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2009-10	2010-11	2011-12	2012-13	2013-14	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The Louisiana Housing Finance Agency (LHFA) has indicated that in FY10 it may need \$274,074 and 3 additional positions to administer the tax credit program created by this legislation. The agency states that two positions are needed to assist with the intake and processing of additional applications, data entry and other services associated with implementing the state tax credit program, and one position is needed to inspect properties as they are being constructed and to monitor the buildings and their units to ensure adherence to all federal and state statutory and regulatory guidelines. The LHFA reduced its original expenditure requirements for this bill by proposing to combine regulation of the state tax credit program with the existing unit responsible for regulation of the federal tax credit program. Ultimately, the number of additional personnel needed to implement the proposed legislation will depend on the number of individuals applying for the tax credit. The LHFA is not able to anticipate the number of individuals who may apply for the new state tax credit allowed by this bill. The expenditures ultimately incurred to implement this new credit will presumably be financed by the self-generated fee authority provided by the bill.

REVENUE EXPLANATION

The bill does not contain a tax credit amount that can be granted to any recipient nor a total amount of credit available to the program to allocate. The amount of the state revenue loss is indeterminable. Presumably, there would be sufficient applicants and credit awards to generate at least \$500,000 of tax credit exposure to the state in any particular year.

The bill authorize fees but does not specify a fee amount. The amount of revenue that can be generated in fees is also indeterminable, but presumably would approximate the amount necessary to support additional expenses associated with implementing this new state tax credit.

SenateDual Referral Rules

☐ 13.5.1 >= \$500,000 Annual Fiscal Cost

☒ 13.5.2 >= \$500,000 Annual Tax or Fee Change

House

☐ 6.8(F) >= \$500,000 Annual Fiscal Cost

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

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